

AMENDED IN SENATE MAY 12, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 285

Introduced by Assembly Member Tran

February 13, 2009

An act to amend Section 20 of the Corporations Code, relating to corporations.

LEGISLATIVE COUNSEL'S DIGEST

AB 285, as amended, Tran. Corporations: electronic transmissions.

Existing law provides requirements ~~of~~ *for* an authorized electronic transmission by a corporation, including without limitation, that *the recipient has provided an unrevoked consent to the means of transmission and that* an electronic ~~communication~~ transmission to an individual shareholder or member satisfies the federal Electronic Signatures in Global and National Commerce Act.

This bill would eliminate the requirement to satisfy that federal law and ~~instead~~ would require that *the consent to* electronic transmissions to an individual shareholder or member *of the corporation* who is a natural person ~~shall~~ be preceded by or include a written statement *to the recipient* containing specified information.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 20 of the Corporations Code is amended
2 to read:

1 20. “Electronic transmission by the corporation” means a
2 communication (a) delivered by (1) facsimile telecommunication
3 or electronic mail when directed to the facsimile number or
4 electronic mail address, respectively, for that recipient on record
5 with the corporation, (2) posting on an electronic message board
6 or network which the corporation has designated for those
7 communications, together with a separate notice to the recipient
8 of the posting, which transmission shall be validly delivered upon
9 the later of the posting or delivery of the separate notice thereof,
10 or (3) other means of electronic communication, (b) to a recipient
11 who has provided an unrevoked consent to the use of those means
12 of transmission for communications under or pursuant to this code,
13 and (c) that creates a record that is capable of retention, retrieval,
14 and review, and that may thereafter be rendered into clearly legible
15 tangible form. However, an electronic transmission under this code
16 by a corporation to an individual shareholder or member *of the*
17 *corporation* who is a natural person, and if an officer or director
18 of the corporation, only if communicated to the recipient in that
19 person’s capacity as a shareholder or member, is not authorized
20 unless, in addition to satisfying the requirements of this section,
21 *the consent to* the transmission has been preceded by or includes
22 a clear written statement to the recipient as to (a) any right of the
23 recipient to have the record provided or made available on paper
24 or in nonelectronic form, (b) whether the consent applies only to
25 that transmission, to specified categories of communications, or
26 to all communications from the corporation, and (c) the procedures
27 the recipient must use to withdraw consent.

O